SHRIMATI KAMLA SINHA (Bihar) I would like to associate myself with what my colleague, Maulana Obaidullah Khan Azmi has said. It is very essential that our diplomatic exercise should be intensified in this regard because we have seen that with little effort, we could achive our goal in Geneva. We should make a consistent effort in this matter so that our neighbour, Pakistan, does not take any undue advantage to malign us in the world. Thank you.

Development and improvement of National Highways in Gujarat

SHRI GOPALSINH G. SOLANKI (Gujarat): Through this special men tion, I want to bring to the notice of the Government the pending problem of the State of Gujarat relating to the development and improvement of National Highways in Gujarat. There has been a consistent demand of the Gujarat State right from 1961 and at the same time, the Government had also introduced a 20-year plan to develop the National Highways in Gujarat. It was expected that a distance of 3602 kilometres would be covered during the period 1961 and 1981. Unfortunately, only a distance of 1573 kilometres could be covered till March 1993. There are 12 routes which are still untouched, like Calcutta-Nagpur-Dhule N. H. No. 6, extension from Dhule-Surat-Hazira linking N. H. No. 8.

6.00 P.M.

No. 2: Ahmedabad-Godhra-Dahod-Indore-Bhopal; No. 3: Malia-Jamnagar- Okha- Porbandar-Veraval Div-Bhavnagar-Karjan, linking NH No. 8 near Vadorara; No. 4: Rajkot-Jamnagar-Vadinar Road; No. 5: Extension of NH No. 15 to Bhuj-Khavada-India Bridge Dharmasala up to India border; No. 6: Extension of NH No. 8A from Kandla to Mandvi, Naliya, Narayan Sarovar; No. 7: Vadodara-Por Sinor-Netrang Vyara, Ahwa-Saputara-Nasik Road, linking NH 8 with NH No. 3; No. 8: Link road from Palanpur on NH No. 14 to Gandhinagar-Ahmedabad-NH No. 8; No. 9: Shamlaji-Modada-Godhra Halol Rajpipla-Vapi-State Highway No. 5; No. 10: Mehsana-Chanasma-Radhnpur-State Highway; No. 11: Sarkhej-Sanad-Viramgam-Mahsan-Dharangadhra-Halvad-Maliya State Highway No. 7 and 17 joining NH No. 8A near Ahmedabad and NH No. 8A near Maliya;

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): Mr. Solanki, you have to conclude now.

SHRI GOPALSINH G. SOLANKI: No. 12: State Highway No. 234 joining Rajkot-Morbi NH No. 8A and 8B and to etxend up to Navlakhi

Sir, I would like to point out that the Ministry of Surface Transport gave the pretext that funds have not been allocated to Gujarat for these highways and that, therefore, these have not been declared as National Highways. I urge upon the Government to allocate funds as well as declare these highways as National Highways, in the interest of Gujarat. Thank you.

श्री अनन्तराय देवशंकर दवे (गुजरात) सर, मैं इसका समर्थन कर रहा हूं, गुजरात के जो रोड हैं, वह जल्दी से जल्दी नेशनल हाइवे डिक्लेयर हों।

THE BUDGET (GENERAL), 1994-95—contd.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): We now continue with the general discussion on the Budget. Mr. Ahmed Patel.

श्री अहमद मोहम्मद भाई पटेल : उपाध्यक्ष महोदय, मैं आपका आभारी हूं कि आपने मुझे जनरल बजट पर बोलने का मौका दिया . . . ((व्यवधान)

PROF. SAURIN BHATTACHARYA: Sir, there is no Finance Minister.

SHRIMATI MARGARET ALVA: I am here. I am taking down notes. He is coming.

श्री अहमद मोहम्मद भाई पटेल : उपसभाध्यक्ष महोदय, मैं समझता हूं कि वर्ष 1994-95 का जो बजट है, इस जनरल बजट में न सिर्फ हमारे आर्थिक और वित्तीय सुधार को आगे बढ़ाने का उद्देश्य है बल्कि इसके साथ ही साथ न्यायसंगत विकास की व्यवस्था का भी इसमें उद्देश्य है। इसके लिए मैं वित्त मंत्री जी को और प्रधान मंत्री जी को बहुत-बहुत मुबारकबाद देना चाहूंगा।

उपसभाध्यक्ष महोदय, जिन मुद्दों का यहां मेरे पूर्व वक्ताओं ने जिक्र किया है, उसकी मैं पुनरावृत्ति नहीं करना चाहूंगा, लेकिन कुछ मामले ऐसे भी हैं, कुछ एरियाज ऐसे भी हैं, जिसके बारे में मैं आपके माध्यम से सदन का ध्यान आकर्षित करना चाहूंगा, वित्त मंत्री जी का ध्यान आकर्षित करना चाहूंगा। इस बजट में कुछ ऐसे मामले हैं, जिनके बारे में हमें अधिक सतर्क और सचेत रहने की आवश्यकता है। इनमें एक मामला है नोन-प्लान एक्सपेंडीचर का, गैर योजना व्यय का। वर्ष 1993-94 के लिए संशोधित अनुमान में 97,846 करोड़ रुपए रखा गया है, जबकि वर्ष 1993-94 के बजट अनुमान में 90,072 करोड़ रुपए रखे गए थे और वर्ष 1992-93 के वास्तविक व्यय के लिए 85,958 करोड़ रुपए की व्यवस्था की गई थी। वर्ष 1994-95 के लिए यह राशि 1,05,117 करोड़ रुपए रखी गई है। वित्त मंत्री जी ने अपने बजट भाषण में इसके कारणों का स्पष्टीकरण देने की कोशिश की है। मेरा ख्याल है कि वर्ष 1994-95 के बजट में सरकार के किसी ऐसे इरादे का सबूत नहीं मिलता है, जिससे शासन का खर्चा कम करने की व्यवस्था हो। हम हमेशा हिदायत करते हैं राज्य सरकारों को, कि जो गैर-योजना व्यय है, नोन-प्लान एक्सपेंडीचर है वह कम किया जाए। लेकिन मैं समझता हूं कि इसके बारे में हमें भी कुछ कोशिश करनी चाहिए।

दूसरा, यह जो एरिया है, मेरे ख्याल से जल संसाधन मंत्रालय का है। हमारा सिंचाई और बाढ़ नियंत्रण जल संसाधन मंत्रालय के तहत आता है। सिंचाई और बाढ़ नियंत्रण के एरियाज के लिए बजट में धनराशि का प्रावधान किया गया है, उसमें 6.80 प्रतिशत पिछले साल जो खर्चा हुआ था उससे कम किया गया है, हालांकि हमारी जो केन्द्रीय योजना है, टोटल कुल योजना है उसमें मेरे ख्याल से 14.14 प्रतिशत की बढ़ोत्तरी हुई है। यही एक एरिया ऐसा है सिंचाई और बाढ़ नियंत्रण का, जल संसाधन मंत्रालय के तहत जो आता है, जिसमें धनराशि कम की गई है। मैं समझता हूं कि इसके बारे में पुनर्विचार होना चाहिए और जो हमारी सिंचाई की सुविधा है, फ्लड कंट्रोल है, उसके लिए ज्यादा धनराशि का प्रावधान होना चाहिए। हमारे राष्ट्र का गौरव और प्रभुसत्ता, कृषि और हमारा जो अन्न-उत्पादन है, उस पर निर्भर है। पी.एल. 480 का जमाना हमें याद है। आज हम जानते हैं कि हमारा मुल्क अधिक अन्न उत्पादन करने लगा है, लेकिन जिस रफ्तार से आबादी बढ़ रही है, मेरे ख्याल से आबादी की जो वृद्धि है वह 2.10 प्रतिशत है, उसके लिए हमें आने वाले दिनों में ज्यादा अनाज की जरूरत होगी और जो हमारी भूमि है, जिससे हम अन्न उत्पन्न करते हैं, वह सीमित है, इसमें बढ़ोत्तरी नहीं हुई है। तो इसके लिए जरूरी होगा कि हम जो सिंचाई की सुविधाएं हैं, वह ज्यादा से ज्यादा उपलब्ध कराएं। तो इसके लिए मैं समझता हूं कि हमारे पास जो भूमि उपलब्ध है, उसमें हमें अनाज का उत्पादन बढ़ाना होगा और उसके लिए सिंचाई एक उत्तम माध्यम है। मैं जानता हूं कि सिंचाई राज्य का विषय है, लेकिन फिर भी मेरा ख्याल है कि इसके बारे में भी वित्त मंत्री जी को पुनर्विचार करना चाहिए और सिंचाई के लिए ज्यादा से ज्यादा धनराशि उपलब्ध कराने की कोशिश करनी चाहिए।

दूसरा जो एरिया है हमारा रुलर डेवलपमेंट का, ग्रामीण विकास के बारे

में है। इसके लिए 1993-94 में 4,830 करोड़ रुपए की व्यवस्था की गई और 1994-95 में 6,036 करोड़ की व्यवस्था की गई है। जहां तक मैं समझता हूं कि यह धनराशि जो ज्यादा ग्रामीण विकास के लिए उपलब्ध है, बहुत ही अच्छी बात है, उसके लिए मैं वित्त मंत्री जी को मुबारकबाद देना चाहूंगा, लेकिन उसका उद्देश्य मैं समझता हूं कि रोजगार और साथ-साथ स्थाई परिसम्पत्तियां बढ़ाने का है, उसके लिए यह ज्यादा राशि दी जाती है, लेकिन अनुभव के आधार पर हम यह कह सकते हैं कि 75 प्रतिशत जो राशि खर्च की जाती है, उसे खुदाई के काम में लगाया जाता है जिससे रोजगार तो मिल जाता है लेकिन जो हमारी स्थाई परिसम्पत्तियां हैं, वे नहीं बन पातीं। इसके लिए मैं समझता हूं कि जो फंडिंग पैटर्न है या आपरेशनल गाइडलाइंस हैं, उसके बारे में हमें एक बार फिर से रिव्यू करने की जरूरत है। मैं एक ही उदाहरण देना चाहूंगा कि जो हमारे जलाशय हैं, करीब पांच लाख जलाशय हैं, जिसे देहात में तालाब कहते हैं और ये जलाशय मेरे ख्याल से जो उस पर सिल्टिंग हो चुका है, उसकी खुदाई करने की बहुत जरूरत है। पिछले पांच साल का हमारा तजुर्बा यह है कि इन जलाशयों की ठीक से खुदाई नहीं हुई, जो सिल्टिंग हुआ था वह हम ठीक नहीं कर पाए, उसकी वजह से सींचे जाने वाले क्षेत्र में 17 लाख हैक्टेअर की कमी आई है और एक स्टडी रिपोर्ट यह कह रही है कि इसकी वजह से हमें करीबन् 5,100 करोड़ की हानि होने का अनुमान है। तो मेरा वित्त मंत्री जी को यह सुझाव होगा कि कम से कम 20 प्रतिशत राशि, जो हमारे देहात के जलाशय हैं, तालाब हैं, उनके लिए लगाई जाए ताकि स्थायी परिसम्पत्तियां भी बढ़ा पाएं और उसका ठीक से उपयोग कर सकें।

दूसरा जो एरिया है, जिसके बारे में मैं वित्त मंत्री जी का ध्यान आकर्षित कराना चाहूंगा, काफी डेलीगेशन्स उनको मिले भी हैं, वह है स्माल स्केल इंडस्ट्रीज और उसमें खास तौर से टैक्सटाइलिंग यूनिट्स, प्लास्टिक मेन्युफैक्चरिंग, ब्रॉस पार्ट यूनिट्स, उन पर जो एक्साइज ड्यूटी लगाकर मॉडवेट के तहत लाने की कोशिश की गई है, मेरे ख्याल से वित्त मंत्री जी का यह इरादा है, यह अपेक्षा है कि उससे रिवेन्यू ज्यादा जेनरेट होगी, लेकिन मेरे ख्याल से हमारी अपेक्षा बिल्कुल गलत है। मैं समझता हूं कि इससे करप्शन को बढ़ावा मिलेगा और जैसे ही यह बात की गई है, आज कुछ अफसरान् हिसाब लगाने लगे हैं कि इससे एक्साइज ड्यूटी आपकी इतनी होगी, तो कम से कम यह करिए जिससे आपको एक्साइज ड्यूटी ही न देनी पड़े और आप मन्थली हमें इतना कर दीजिए। तो मेरे ख्याल से इससे करप्शन को बढ़ावा मिलेगा और जो अनुमान वित्त मंत्री जी का है कि इससे फायदा होगा या रिवेन्यू जेनरेट होगा, वह नहीं हो पाएगा। स्माल स्केल इंडस्ट्रीज में हमारी जो यूनिट्स हैं चाहे टैक्सटाइलिंग हो, प्लास्टिक मेन्युफैक्चरिंग हो, ब्रॉस पार्ट की हो या छोटी-छोटी जो स्माल स्केल इंडस्ट्रीज हैं, उनमें करीबन् पांच लाख लोगों को रोजगार मिलता है। मैं समझता हूं इससे बेरोजगारी बढ़ेगी और पिछले 5 दिन से यह जो यूनिट हैं, उसमें हड़ताल है और वहां बन्द पड़ी हुई हैं। तो उसके बारे में मेरे ख्याल से वित्त मंत्री जी को कुछ सोचना चाहिए और मेरा सुझाव यह रहेगा कि सारी इण्डस्ट्रीज को मॉडवेट के तहत ले आएं। उसमें मेरे दो सुझाव और भी हैं। यह जो यूनिट्स—स्मॉल स्केल इंडस्ट्रीज हैं जिसका मैंने जिक्र किया, उसकी जो एक्साइज ड्यूटी की मर्यादा है वह 30 लाख रुपए की है। मेरे ख्याल से उसको बढ़ाकर साठ लाख तक करनी चाहिए और कन्सेशन की जो 75 लाख की मर्यादा है उसको बढ़ाकर एक करोड़ की करनी चाहिए। एक दूसरी बात है, जिसके बारे में मैं वित्त मंत्री जी को मुबारकबाद देना चाहूंगा। वह है गुजरात के लोगों और पूरे देश की जनता की ओर से वित्त मंत्री जी को धन्यवाद

[श्री अहमद मोहम्मद पटेल]

देना चाहूंगा कि उन्होंने आयकर अधिनियम की धारा–35 ऐसी के तहत राहत दी जाने वाली परियोजनाओं में प्रदूषण नियंत्रित परियोजनाओं को शामिल करने की मांग को स्वीकार किया, जिसके अनुसार उक्त योजनाओं में अंशदान करने वाले व्यक्तियों को, अनुदान करने वाले व्यक्तियों को दरों में उनके द्वारा किए जाने वाले अंशदान का सौ प्रतिशत छूट देने का प्रावधान है। उनके इस प्रशंसनीय कदम से पर्यावरण समस्या को तेजी से और कारगर रूप से समाधान करने में काफी मदद मिलेगी। उसके लिए मैं वित्त मंत्री जी को बहुत-बहुत मुबारकवाद देना चाहूंगा और साथ-साथ जो छोटे-छोटे मुद्दे हैं, खास तौर पर हमारी जो सिक यूनिटें हैं, जो हमारी सिक मिलें हैं, उनके जो कामदार हैं, जो वोल्यूटरी रिटायरमेंट लेते हैं, तो उनका जो पैसों का भुगतान जितना जल्दी से होना चाहिए वह नहीं हो रहा है। उसकी वजह से काफी कुछ कठिनाईयां महसूस होती हैं। तो वित्त मंत्री जी इसके बारे में भी गौर करें और इस ओर भी ध्यान दें। दूसरा जो एक मुद्दा है, जिस पर मैं वित्त मंत्री जी का ध्यान आकर्षित करना चाहूंगा, वह मुद्दा यह है कि जहां तक गुजरात का सवाल है, वह यह है कि जो डिपोजिट और लोन का रेश्यो है, वह ठीक तरह से बेलेंस नहीं है। डिपोजिट ज्यादा से ज्यादा गुजरात में है और जो लोन हम लोग दे रहे हैं, मेरे ख्याल से वह रेश्यो ठीक नहीं है, वह कम है। तो इसके बारे में भी ध्यान देना चाहिए। जहां डिपोजिट ज्यादा हो, कम से कम वहां लोगों को ठीक तरह स लोन भी मिले। तो यह कुछ मुद्दे हैं जिनकी ओर मैं वित्त मंत्री जी का ध्यान दिलाना चाहूंगा। फिर एक बार यह जो बजट लाए हैं, मेरे ख्याल से बहुत ही सूझ-बूझ वाला बजट है और इससे मैं समझता हूं कि निर्यात भी बढ़ेगा, उत्पादन भी बढ़ेगा। मैं वित्त मंत्री जी को और प्रधान मंत्री जी को बहुत-बहुत मुबारकवाद देना चाहूंगा। धन्यवाद।

SHRI ASHIS SEN: Mr. Vice Chairman, Sir, I would like to say, at the outset, what the thrust of this budget is. Continuity of the theory of globalization and weakening whatever has been built up over the decades in our country despite experience of the consequences, industrial closures, increase in unemployment, prices going up the puplic institutions thrown to doldrums by deliberate steps flowing from the theory and practice of this policy. It is not a budget for the common man. It does not hold any prospect for employment generation. It is for the big industrialists and big business, not in the interests of the poorer sections or for social justice.

Who are glad at this budget and the previous two budgets? Surely the World Bank, the IMF and their ilk. I don't want to go much into the details of the figures as has been spoken about by various hon. Members. I would only point out that when the total amount of receipts as projected for 1994-95 is Rs. 1,4,5,699 crores, the borrowings alone out of that are 31 per cent, which is Rs. 48,915 crores. The total expenditure is Rs. 1,51,699 crores. Interest alone is Rs. 46.000 crores which takes away 31.6 per cent of the total receipts. Repayment of debts is Rs. 63,632 crores, which is 44 per cent. What remains for developmental works and developmental purposes? The total debt servicing has been to the tune of Rs. 1,09,632 crores, taking away 75 per cent of the total receipts. Now, the fiscal deficit has gone to the extent of Rs. 54,000. It is galloping year by year and I do not know how much we are progressing as far as the eonomic growth is concerned. External debt has been rising by $3 billion per year. It has been stated in the Economic Survey. Solace has been given do doubt, that in the current year it is less so far. As on September 1993, outstanding foreign debt was to the tune of $10 billion.

In terms of rupees it was Rs. 2,88,000 crores. These are the indications in which way we are moving. We are taking pride that we are rich because the foreign exchange position has improved to a figure of $12 to $14 billion. How much of it from borrowings is the question that counts. But to meet it the Corporate tax has been reduced by Rs. 1,355 crores, which is a loss to the Exchequer. It has been reduced from 50% or 45 per cent to 40 per cent now. For the personal income-tax also the maximum percentage is the same. What has been the position in regard to the industry? Reduction in the Customs Duty and higher Excise duty on domestic production will be hitting at the roots of our Indian steel industry, because the production cost here will be more and there will be more inflow of import of steel. Whose benefits is it going to serve? Is it for the improvement of the Indian steel industry? The Economic Survey speaks of the economic strategy undertaken already is providing incentives to labour-intensive small-scale industries. But what is the picture of the small-scale industries? Out of Rs. 106 crores of additional excess levies Rs. 100 crore are from the small-scale sector. These industrialists are very much agitated. Additional excise revenue will be from the expansion of base withdrawing the exemption hitherto obtaining on small-scale units. This hits at the small manufacturer. They provide the largest employment after agriculture; it is a reality. So, these small-scale industrialists are very much agitated. Several organisations and associations have decided to organise a protest march in peace to the Parliament on 18th March. I do not know how far they will be doing it, but they will not be wrong in doing so if other avenue have failed for them.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): I may remind you that your time is going to be over.

SHRI ASHIS SEN: I am seeking your permission. At the late hour when everything has been over now and when globalisation and liberalisation are taking place, please be a little bit liberal in giving more time to me.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): So many other liberal Members are also here!

SHRI ASHIS SEN: Thank you, Sir. Be a bit liberal and give me some time.

Now, the small-scale industries like soap, steel re-rolling, rubber, aluminium—ware makers, footwear, detergent powder producers, all of them are affected by the new change in the Excise Duty. They say the thrust to boost the corporate sector will result in small sections getting everything with extravagance and major segments will be getting poorer. There will be increase in unemployment and under-employment. The Finance Minister should kindly review and reconsider this issue of the small-scale industries as otherwise this would lead to another big source of employment generation and joblessness due to closure of lakhs of industrial units—small, medium and semi-medium.

About the Labour Laws the survey says that drastic changes have to be made so that flexibility is given to the exporters to hire workers—not to employ them on regular basis—without fear of becoming sick with excess labour. Is it an indication of creating more employment or is it just the opposite? The Government wants to do away with any form of job security and proclaims removal of related laws, which are there to safeguard the interests of the workers. For this a comparison with many Asian countries is cited as examples. Who are they? Are they Singapore and Taiwan? Do they compare with the conditions of our country? This is the point I would request the Finance Minister to keep

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in view. This is a dangerous proposition to hire and fire so far as the employment of workers is concerned...and the entire trade union movement is up against this.

But another analysis survey says that revenue collection has been short due to a slow-down in the industrial recovery despite liberalisation and relaxation. The revenue deficit has risen to Rs. 34,000 crores. The Revised Estimate for last year 1993-94 was budgeted at Rs. 17,630 crores. In the current year it is going up and up. Obviously this is not a proper foreboding.

If you permit me, then,...

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): I will give you two more minutes. Within that time you can conclude.

SHRI ASHIS SEN: I need a little more than two minutes.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): There are other speakers who want to speak.

SHRI ASHIS SEN: I wonder when the Government speaks of benefits accruing to the poor and weaker sections of the society from the reforms. But the fact remains that prices are rising. So is inflation despite new economic reforms. Inflation has gradually gone up to 8.79 per cent. Is there any chance of reversal?

Now it has dawned on the Government that using low-priced fertilisers is harmful to the farmers. and it is not in their interest. Therefore, they have prescribed the use of phosphatic urea so that such costlier fertilisers are imported to help the foreign exporters. I would urge upon the Finance Minister to have an introspection and change this policy.

The Finance Minister should also kindly take into account the financial position of all the States. There is a need for more allocation. But the Budget proposes such tax measures as will lead to a loss of Rs. 625 crores to the State Governments.

I request you, Sir, to permit me over and over again a few more minutes. What is happening in the financial sector? It is true that our public sector financial system has to be improved and strengthened because due to posting of nomiees of Government and political|administrative interference as in the case of banks, weaknesses have developed. How to rectify them? You can do that by improved functioning only. Instead an orchestrated campaign is being conducted as if our banks are in the red saying has national and international repurcussions. So, more and more private banks are being brought in. Scam has indicated what this foreign banks have done to our countary.

What is the banks, actual financial position? In 1991-1992 the overall profit of the nationalised banks was Rs. 646 crores which was 20.37 per cent of the capital. Only three banks were in a loss. In 1991-92, other than the State Bank of India, the net profit of the nationalised banks was Rs. 558 crores. But, in 1992-93, the loss is Rs. 3,649 crores. Why? How? In 1991-92, there was a provision of Rs. 1,809 crores. But, in 1992-93, the provision was Rs. 4,453 crores. There is an increase of Rs. 2,644 crores. So, most of the banks are not making profits due to provisions made under directives. There has been a reduction in the lending rate from 19 per cent to 14 per cent. This has led to what? This has led to the loss of income to the banks to the extent of more than Rs. 5000 crores. Doubtful assets are only 13 per cent. Are they really in a bad shape? Are they, with a mere under 13 per cent doubtful assets? Barring the three banks, all banks were making profits. Why them you talk of disciplining banks alone and not going for actions against the defaulters? You can make

authorisation by law to publish the names of the big defaulters at least because of the non-payment of dues So, the banks' financial position has come to this stage. The basic norms have not been followed. The capital adequacy has not been provided. This is forcing the nationalised banks to close down their 10,000 branches on the plea that they are loss-making branches. As a result of this, 1,50,000 bank employees would become surplus. Where would you provide them jobs in the banking system? Already banks have gone to the public for raising money. Now, what is the result of going to the public. Yesterday a newspaper had mentioned what has happened in the IFCI. The Government's control over it came down from 51 per cent to below 49 per cent. The Government has lost its control over it. In spite of the Government's statement that their share holding will not come down below 51 per cent, it has come down to 49 per cent and less. Then, what is the position?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): That is totaly incorrect.

SHRI ASHIS SEN: Anyway, that is a newspaper report. But no contradiction has come today from the Government. People have known about it. As a result of disinvestment what has happened in the State Bank of India's shares? Where have the excess shares gone? Is it a fact that much of the shares have gone to that very fellow, Mr. Harshad Mehta, through private subscription of shares sold? I do not know. The Finance Minister may kindly clarify this information.

SHRI MANMOHAN SINGH: You cannot level such charges if you do not know the facts.

SHRI ASHIS SEN: I am only pointing out.

SHRI MANMOHAN SINGH: You are not just pointing out. You are levelling such mancious charges. You are stating in such a manner as if you would get away with all this.

SHRI ASHIS SEN: I do not want to get away. I have got a piece of information which came to me. I am passing it on to you. Please say whether it is correct or not.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): Mr. Ashis Sen, you know pretty well that unless and until you are able to authenticate it you cannot make any allegation. (*Interruptions*).

SHRI ASHIS SEN: I have not put it as an allegation. I have just asked whether the Finance Minister knows that there is a suspicion that a substantial portion of the shares of the State Bank have gone to... (*Interruptions*).

SHRI MANMOHAN SINGH: If you have any information, please pass it on to me.

SHRI ASHIS SEN: That is what I am doing. Please check it up.

Again, on the question of Regional Rural Banks, the Standing Committee has unanimously recommended that a National Rural Bank or a Zonal Rural Bank should be set up. I do not know whether the unanimous recommendations of the Standing Committees are given any weightage or not.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): It is time you concluded.

SHRI ASHIS SEN: Thank you very much for giving me this time. I am just concluding. What about the insurance sector? The insurance companies are giving enormous profits to the Government. What is the necessity of privatising thrm and inviting foreign insurance companies to come to India? This Budget is not for economic growth, but for stagnation and decline. succes-

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sive and enlarge deficits. It is indicated. Recovrry of the economy is okay, it is a must and is necessary, but not by damaging the domestic industries, agriculture etc. That is why I feel I cannot fully endorse the Budget proposals. I think the Finance Minister will giev a little bit of attention to the suggestion I have made.

With these words, I conclude.

SRHI RAJNI RANJAN SAHU (Bihar): Mr. Vice-Chairman, much has been said about the Budget proposals for 1994-95. I have also heard from my friends from the other side. As a matter of fact, all of us are congratulating our Finance Minister who under the guidance and leadership of the Prime Minister, has made a massive effort to broaden the tax base as well as rationalise the country's tax structure. Never in the history of India such an optimistic Budget has been presented. The Finance Minister—I am glad he is sitting here— has tried to cover almost all the sections of economic activity and has touched the human face by allocating much more resources for rural development. He has also covered a wide spectrum. In his proposals he has included all the fields from ship-breaking industry to rural development, from food-growers to electronic industry and from truck-owners to five-star hotels. Mr. Vice-Chairman, I do not want to repeat the objectives which has been said in the Budget proposals; that is, relief in the corporate tax to stimulate growth, to improve the competitiveness of the Indian industry globally, to stimulate personal corporate saving and investment through relief in personal income tax, to give incentive to EOU, to contain inflation by limiting Budgetary deficit to acceptable norms, to reduce the possibility of administrative corruption and delays, disruptive disputes and abuse by rationalisation of the tax structure, to broader the tax base by including a few services in he tax net, to ensure to farmers adequate returns for their poduce and to improve the rural wealth through larger allocations to the rural sector and employment for the weaker sections of the society. The rural sector and the weaker section of our society has been looked after well by increasing allocation in rural development and social services, Employment, better standard of living of the wether sections has also been taken care of. Massive outlays have been provided for the Employment Assurance Scheme, which is being implemented in 1752 books; the Jawahar Rozgar Yojana; the accelerated rural water supply progamme including the Rajiv Gandhi National Water Drinking Scheme and the Prime Ministers' Rozgar Yojna which was limited so far to only urban centres, is being expanded to cover the entire country which is estimated to provide self-employment to about a million educated yough through seven lakh tiny business and industrial ventures. These are the mportant features of the Budget presented by tha Finance Minister (*Interruptions*)

SHRIMATI KAMLA SINHA: Sir, this is going to be 6.30 p.m. How long are we going to sit?

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): There are some more speakers who would like to speak. We would be sitting so long as the Members like to speak.

SHRI RAJNI RANJAN SAHU: The anxiety which everybody is having today is a big gap of Rs. 6,000 crores in the budgetary provision. If we compare the budget estimates of 1993 and the revised estimates of 1994, we find that there has been a decline in the gross total revenue, that is decline of about Rs. 8,117 crores yet a boost has been given in the budget estimates for 1994-95 towards the revene receipt of Rs. 87,136 crores. This we may not call a jump of about Rs. 3,000 crores even from the budget estimates of

1993 and Rs. 12,000 crores from the revised estimates of 1993-94. It means the Finance Minister has placed faith on tax compliance. To my mind, it is a gamble and it is a desperate gamble. I have got every doubt that the revenue recipt to the extent estimated would go up. The tax compliance will also not come up to his expectations because we have not been able to rectify the procedure. Over and above, the mental set up of the bureaucracy has not yet come in the line of thinking of the Finance Minister. The mentality of the taxpayer has also not changed. This is not because of lack of education. For that the Finance Minister should issue direction to the CBTD and the department concerned to hold seminars and workshops and a close-knit relationship should be established between the taxpayer and the bureaucrats so that the mentality should change. Government should give thought to this proposal. Otherwise, the gap which is there in the Budget will remain a gap. Rather it will be widened than to be lessened.

THE VICE-CHAIRMAN (SHRI V NARAYANASAMY): If the House so agrees. I will request Shri Jagesh Desai to take the Chair.

The Vice-Chairman (Shri Jagesh Desai in the Chair)

SHRI RAJNI RANJAN SAHU: Sir, another aspect to which I would like to draw the attention of the Finance Minister is the growth of GDP. Usually the GDP is the indicator for growth of industry and agriculture. But a figure which has appeared in the Budget paper is something else. I do not want to quote it but I would like to give the percentage i.e. From 1990-91 to 1992-93, the GDP went up to 31.2 per cent The contribution made by the industrial sector declined from about 45 per cent in 1990-91 to 34.4 per cent, a drop of almost 10 per cent, and the contribution made by the agricultural sector to the GDP which was 40 per cent in 1990-91 declined to 31 per cent, a drop of about 9 per cent. These figures are given in the Budget papers.

The above-mentioned figures show that the contribution made by the industrial sector as well as the agricultural sector are lower. It is a cause for worry. The rate of growth of 30 per cent in the GDP at current prices is esentially explained by the rates of inflation in the last three years. The rate of inflation was 16.3 per cent in 1990-91. In all these years inflation was further fuelled by the expanion of money supply by 34.3 per cent against a 32 per cent growth in GDP between 1990 and 1993.

Sir, although the growth has been indicated in the figure for public consumption, I feel that if it is calculated on cost basis, the percentage of growth will fall. I hope, the Finance Minister will explain it. As a matter of fact, the basis of calculation should be cost factor If it had been so, neither it would have been 40.4 per cent in 1991-92 nor it would have been 31.2 per cent in 1992-93 in respect of agricultural production; it would have been 44.7 per cent in 1991 and 31.4 per cent in 1993 in respect of industrial production. Rather, it would decline. If the GDP has gone up and if the industrial growth rate has also increased by 1.8 per cent, then why there is a recession? Why there are heavy tax-concessions? There are some anomalies in respect of industrial production. The hon. Finance Minister, by giving so many concessions to these industries, expects that the gap provided in the Budget will improve and come closer. I think, it will never happen. Whatever benefit has been given to the industry today, it will yield good results and it will be effective. But because of certain procedures

[Shri Rajni Ranjan Sahu]

and red-tapism in the bureaucratic system, the Finance Minister may get the result in the next year, but not in this year. You know, it will take six months to regulate the industry. We will have its result only in the next year. This year, they will have a setback and the entire country will be in a bad shape. To me, Sir, to be more optimistic is not very good. Moreover, we have not been able to control our population. We should calculate our GDP on cost price. If we do so, it will be 4 per cent. With this ratio, in a period of four years, the population will increase by 8 per cent but GDP will remain at 4 per cent. If the GDP increase at cost price... (*Interruptions*) ...

SHRI MANMOHAN SINGH: Sir, I would like the hon. Member to tell us what the calculation is that he has in mind when he says 'cost price'. 'GDP at cost price', what exactly you imply, I do not understand.

SHRI RAJNI RANJAN SAHU: The market price and the cost price.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): I am also not able to understand it... (*Interruptions*) ...

SHRI RAJNI RANJAN SAHU: On cost price that should be calculated, not on the market price. Anyhow, that is my opinion.

Now coming to the next point, Sir, the agricultural sector has shown more increase in production due to heavy rains compared to the performance of the industrial sector which remained very poor leading to recessionary trends. This has caused a decline in both the growth rate of gross domestic savings and inestment. For example the gross savings rate which was 24 per cent in 1990-91 came down to 22.3 per cent, and consequentially, the rate of gross domestic investment which was 27.4 per cent in 1990-91 fell down to 24.5 per cent in 1992-93. Lower investment reduced the output, creating further inflationary pressures in the market. Sir, the Finance Minister has gone out of the way to encourage growth, particularly industrial growth, by lowering customs duty, rationalising the excise duty and lowering the lending rates. In fact, our Finance Minister has redeemed a long-standing pledge of the nation to uphold the basic economic tenet of protecting the domestic industry. There is a proverb, "Feed the baby, nurse the child and free the adult". The Indian industry which had long survived under the protective umbrella of heavy customs duties must now become globally competitive and export-oriented. I once again congratulate the Finance Minister for this.

Sir, I have a few words to say about the new excise duty. The new excise rules which are expected to collect excise duty of Rs. 36,700 crores against the Rs. 31,705 crores in 1993-94 are no panacea for the ills. Sufficient increase has to be achieved largely on the strength of expected buoyancy and greater balance of public administration. The net additional resource mobilisation on the excise front in 1994-95 is to the tune of Rs. 106 crores. But the industry is of the opinion that the new system of collection of excise duty is very complicated in practice than the previous one. The packaging industry which has also been brought under the excise net leaves many loopholes. It is very difficult to get all the invoices signed by either the Chief Executive of a company or the Company Secretary. The Finance Minister is here. I hope he will consider this complicated process while announcing the rules which he is going to bring into force from 1st of April, 1914.

Sir, it is high time that the Government should a committee to control the expenditure because the deficit cannot be controlled witohut curbing the expenditure. The reforms in the tax system is not the only remedy. The country is worried about the size of the revenue deficit.

Sir, I would like to bring to the notice of the Finance Minister that the Government expenditure is going up very high. The travel expenses of the Ministers have gone up by 440 per cent. This must be taken care of.

Sir, I would say a few words on the taxation proposal. It is laudable to unify the corporate profit tax rate on closely-held companies and widely-held companies Sir, you are a very eminent tax advocate and chartered accountant. You will appreciate that the profit tax rate on closely-held companies and widely-held Companies has been unified. This has ended all the disputes. There is an anomaly in customs duty; especially in the tariff on steel and non-ferrous materials, even after reduction, stands at 50 per cent wheres in, capital goods sector it has been reduced to 25 per cent on project imports. This anomaly should go. There is no control over the finance of the State. This is very important. The State finances has got to be controlled. This anomaly will create problem in the State. The State has got its own source of revenue such as entry-tax, sales-tax, etc. The Central Government will have to interfere in the imposition of entry-tax by the State and the sales-tax will have to be rationalised to bridge the gap of deficit; otherwise, it is very difficult for the Finance Minister to cotrol the deficit.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): How can the Finance Minister do it?

SHRI RAJNI RANJAN SAHU: He has to frame some rules. He has to make some changes in the Centre-State relations. He has to talk to the Chief Ministers. It is very essential to control the State finance. No reform will work unless the State finance is controlled because ultimately it percolates to the districts and villages. You know the state of affairs about the finance of Bihar Govt. The Government is hardly able to pay the salary. There is no development. It has become very difficult to run the State and there is a grave financial crisis. The announcement of service tax in some sectors is appreciable. But the eminent tax law expert, Shri Nani Palkhiwala, called him the 'originator of this disastrous tax'. I don't know how. To my mind, the service tax on brokerage earning and stock broker general insurance premium should be levied but service tax on telephone is very dangerous and objectionable. Sir, we all know about the telephone service. It is actually a disservice. You have announced a tax on disservice. Sir, at least, you should not announce a tax on disservice. We are already being penalised. Sir, everybody is suffering from this problem. I would request you to reconsider this point. You kindly remove tax on telephone service.

The enhancement of exemption limit and adjustment of tax brackets are laudable. This all has been done on the payment of salaried people and those who have got limited income and want to pay tax. These exemptions are being raised from time to time on *ad hoc* basis. In 1984-85, the exemption limit was raised from Rs. 15,000 to Rs. 18,000. Now, it has been raised to Rs. 35,000. The standard deduction was also raised from Rs. 12,000 to Rs. 15,000 and Rs. 18,000 for working women. These are all ad *hoc* arrangements. But it is not conducive to the development of proper tax culture and voluntary compliance. So, I would suggest that the Government should introduce index system of laws in the tax system.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): But this time he has done more than that.

SHRI RAJNI RANJAN SAHU: Sir, a number of countries have such index of their tax laws. The advance computer technology is available with us. So, we should enforce this index system.

The next issue concerning tax policy relates to estimated income method for tax-payer in certain categories of business as contained in Chapter 12-C of the Income Tax Act. This system was introduced for only two years. It has been said that it was an utter failure. You will have to take care of it. This

[Shri Rajni Ranjan Sahu]

is very important. So, the Government should devise a system to collect estimated income method keeping in view the present Income Tax laws.

There is a total absence of any probeen extended to the tax-payer in the business of civil construction and plying and leasing or hiring of trucks in the Finance Act. This estimated income method and system of presumptive method of taxation is prevalent in many countries. A thorough study is required to make foolproof system. Sir, this is only an eye-wash. This system is not a foolproof system. It gives rise to corruption. There are several countries which have got foolproof system. You can send a team in those countries for study.

There is a total absence of any provision in the Bill for checking evasion confusion and avoidance. Every body knows that a river of black-money is flowing in this country. No Government has been able to check this flow. This is also a matter of serious concern. That is why it is said that, first of all, the culture has got to be developed for payment of taxes. For this, it is necessary that the Government should hold seminars and workshops at district levels. The Income Tax Officers should bring the tax-payers nearer to them.

There is no reason for giving wealth tax exemption to persons who own palatial farm houses, fully equipped with modern gadgets or air conditioners, swimming pool etc. in the midst of the city and their source of investment should also be checked.

There are two ways of dealing with the deficit (i) by curbing your expenditure; (ii) by increasing your revenue. You may have to restructure the tax laws and bring about administrative efficiency in this case. If the Finance Minister wishes to catch more people in the tax net, he will have to simplify the tax structure even more. He should also see that the offices think on these lines. With these words I would like to thank you, Mr. Vice-Chairman, and I would also like to say that I appreciate the Budget. At the same time, I would like to add that much more needs to be done in the banking sector. It needs to be improved. We have had a scam in recent past and hence, transparency of banking accounts should be made mandatory. I once again thank you. Mr. Vice-Chairman.

*SHRI K. K. VEERAPPAN (Tamil Nadu): Mr. Vice-Chairman, Sir, I rise to speak on behalf of D.M.K. on the Budget for 1994-95. The Hon'ble Finance Minister Dr. Manmohan Singh has presented the Budget which seeks to carry on the liberalisation policy that has put the common man to hardship, besides being pro-Dunkel which will usher in an era of dominance of multinationals. The kind of overwhelming praise the Budget received from multinationals and big industrial houses signify as to whose interests the budget caters to The customs duty on imported raw materials and spare parts for industries have been considerably reduced. I am afraid this decision will endanger the domestic trade and industry. The multinationals have been given much more tax and duty concessions on investment in India, than the NRIs. This speaks out the intensions of the Government.

Sir, in a country where more than 50% people live below poverty line, nothing has been done in the budget to mitigate the hardships fac-

*English translation of the original speech delivered in Tamil.

ed by the poor. The budget has not taken into account the fate of domestic goods even. The concessions on import duty will adversaly affect domestic production because people would rather buy the cheaper imported goods than the domestic goods. which would find it difficult to compete with the multinational products

Agriculture is the backbone of our country with 7% per cent people depending on agriculture. Yet this budget does not contain any worthy scheme to improve the conditions of farmers. With the price of fertilizers having gone up, the cost of production of crops too has increased. Now, since the Government has decided to import certain food items at cheaper rates, our farmers will be affected because they will not be able to sell their produce at that rate. So, I would like to know what has the Government done to bridge the gap between the production cost and selling cost? How the farmer is going to be saved? The budget has no answer for this. The consumers belonging to both middle and lower and also the farmers, are the worst sufferers of this budget.

Mr. Vice Chairman Sir, this year budget deficit is estimated to be over Rs. 6000 crores. But in all prohability, this is likely to go up in a big way. Because, last year's original budget deficit of Rs. 4314 crores was revised upward to a staggering Rs. 9160 crores a jump of Rs. 4846 crores. So, one can imagine what would be the revised deficit of Rs. 6000 crores. As the deficit goes up, the Government will resort to levying of taxes and hiking of prices and fares, burdening the feeble shoulders of common man. Last year the fiscal deficit was estimated to be Rs. 36,959 crores. But in the revised estimate it went up to Rs. 58,551 crores. The fiscal deficit for 1994-95 is estimated to be Rs. 54,915 crores. I don't know what will be the revised estimate?

Sir, the Congress Party came to power after making election promises to roll back the price of commodities. Almost three years have rolled by, but the prices have not come down. On the contrary, the prices have been sky-rocketting. Even in the pre-budget exercise, the Government had hiked the prices of petrol, diesal, sugar, rice, wheat and cooking gas and also the rail fare and electricity charge. Now, the Government is trying to be fool every one saying that prices have not been increased. The fact is that no item has ben spared in the pre-budget hiké. While referring to this pro-budget hike, my revered leader Dr. Kalaingnar quoted a proverb in Tamil and said:

"Generally the toll of bell announces the arrival of elephant. But here the elephant itself has arrived without the toll of bell. And it is a wildtusker which Yes the pre-budget hike is like that trampled down the common man."

No other description can be more appropriate than this. This budget has brought down taxes and duties only on items like computer, television sets and other luxury items. The Government has not spared even biscuits eaten by small children. The price of buscuit has been increased by 7.5 per cent. Products of small scale industries have been taxed heavily. Even telephone services have not been spared. As it is, people find it difficult to pay heavy telephone charges for the kind of services rendered. Now, the Finance Minister has levied 5% service charges on it. I don't understand the policies of the Goverument.

The way of functioning of the Government only highlights its callousness. To make up the deficit, it bor-

*English translation of the original speech delivered in Tamil.

[Shri K. K. Veerappan]

rows from IMF and World Bank. And to repay the loan and interest, the Government indulges in heavy borrowing plunging the nation in debt trap.

Every time the Government comes out with budget which serves the interest of the multinationals and capitalists. But the Finance Minister boasts of swelling of foreign exchange reserve, sufficient food grain stock and increased foreign investment in India. I wsh to ask, what is the use of all these if the poor people don't have the buying power to buy even essential commodities. Even the employed people are unable to buy anything because the commodities are sold at uneffordable prices As I conclude, I wish to put on record that this budget is pro-capitalist and pro-multinational and therefore, it contain nothing to ameliorate the conditions of the poor and the middle class.

Thank you.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Dr. Yelamanchili Sivaji. You have five minutes.

DR. YELAMANCHILI SIVAJI (Andhra Pradesh): Sir, the discussion can be continued tomorrow. It is already 7 o'clock.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): You finish your speech.

DR. YELAMANCHILI SIVAJI: Sir, I hope that you will be considerate in giving time.

Sir, the first phase of the Economic Reforms started in July, 1991. And the measures that were taken, at that time, entered into a scond phase and, to me, the reforms during the second phase are more relevant and difficult as well as crucial.

7.00 P.M.

The disturbing factor in the present Budget is that a lot more money has been transferred from the capital surplus to meet the revenue deficit. During the course of the last four Budgets that were presented by Dr. Manmohan Singh, the total amount, thus, transferred from the capital surplus to meet the revenue deficit is as high as Rs. 67,393 crores. Even in the present Budget, it is estimated that Rs. 26,727 crores are supposed to be transferred to meet the day-to-day expenditure of the Government and this is because he has to sympathise with everybody. He has to compromise between the conflicting economic realities and the political compulsions of the ruling party and the treasury benches. He has to compromise between the budgetary deficit and the mounting revenue expenditure. He wanted to slap on the subsidies but various lobbies are working to ensure that subsidies are continued. The Finance Minister has to neutralise between the tax component and the political fallout. He has to compromise between the Bombay Club and the Davos speech of the Prime Minister. He has to compromise with several others such as PMO, IMF and the World Bank. These are the realities.

Sir, ours is a land of contradictions. We find a great contradiction here. As against the aspirations of the Finance Minister, the final realisation in the Finance Bill is a contradiction in itself and I am sorry to state this. Another thing which I would like to state is that agriculture has been given a complete go bye. It is evident from the thrust that he has given in his Budget speech. I am sorry to state that three or four sentences have been used by the hon. Finance Minister in his speech in regard to agriculture. The allocation to agriculture is also not up to the mark, not up to the expectations. I expected that at least in his fourth Budget, he would pay some attention to agriculture. But precious little has been done as far as allocation to agriculture is concerned which is supposed to cater to the needs of 72 per cent of the popu-

lation. You know pretty well, Mr. Vice-Chairman, that agriculture is one of the few sectors that absorbs the inefficiency of the industrial sector. It provides raw materials as a captive producer. It absorbs the sub-standard products that are being produced by the industry as a captive consumer. It absorbs all other semi-skilled and unskilled labour in the society and also helps contain inflation. Out of the total allocation of Rs. 70,000 odd crores, less than 3 per cent went to the agriculture sector in the Central Plan outlay. This is one of the disturbing factors. Another factor which I would like to state is about the liberalisation policies of the Government. The fruits of liberalisation are yet to percolate to the agriculture sector. Seventy-two per cent of the population is completely neglected by the liberalisation policies of the Government. Other sectors were delicensed. Motor cycles were delicensd. White goods were delicensed. But the sugar industry is yet to be delicensed. At least one thousand applications for installation of sugar industries in various parts of the country are pending with the Government are clearance. When the Government came out with a proposal to delicense dairy industry, another Ministry came in the way. Mr. Balram Jakhar has been successful in promulgating the Milk and Milk Products Order, thereby neutralising the so-called delicensing system so far as the milk products are concerned. Same is the picture in regard to the delicensing of the so-called cigarette industry. It is a fact that both inside and outside the House, the representatives are fighting over the glut in the tobacco market. To see that this glut is removed, it is high time that this industry was denotified and delicensed. During his last Budget Speech, the Finance Minister was good enough to come out with a proposal. He stated that there would be no restriction on the movement of foodgrains from one part of the country to another part of the country. We are discussing about GATT, Dunkel and free trade among various countries in the international arena. But, at the same time, in spite of the enuincation by the Finance Minister on the floor of the House during his Budget proposals during last year, it is not being implemented at the lower level. We produce paddy in our village, and we are not supposed to carry our paddy or rice to the neighbouring towns for our own consumption. And the hon. Minister for Civil Supplies, Mr. A. K. Antony, was holding some meetings at Hyderabad to negotiate with the Minister of various States in regard to free movement of foodgrains. But it is not done. And successfully the Chief Minister of Andhra Pradesh came out with another proposal. He went on record both inside the Assembly and outside that Andhra Pradesh is not going to implement this free movement of foodgrains. Again, the Finance Minister reiterated his stand during the Budget proposals of this year also, but nothing has been done.

Sir, in regard to the agri-consortium that was incorporated during last year's Budget proposals, I should say that it did not materialise. And the so-called subsidy component on the fertilizer has been reduced. What I mean to say is that we are not here to plead for the subsidy to the farmer And we are prepared to pay whatever be the price if the market forces are allowed to operate. The cost of production of fertilizer in one of the units in Andhra Pradesh, where our hon. Prime Minister went to inaugurate it and to dedicate the same to the nation is as high as Rs. 9,000 per each tonne of urea. When our counterparts are getting this fertilizer five times cheaper than us in Japan, when our counterparts in neighbouring Bangladesh and Pakistan are getting two and a half or three times cheaper, for the same quantity of fertilizer, we are compelled to pay a higher price even

[Dr. Yelamanchili Sivaji]

though subsidy is there on the fertilizer. The entire subsidy on the fertilizer is being swallowed by the inefficient and dishonest fertilizer industry, and it is not going to the farmers. So, some corrective steps are to be taken in this regard.

In regard to income-tax, Sir a lot more discussion took place in regard to extending the income-tax to the agricultural income. And we are prepared to pay income-tax provided the farmers are in a position to exceed the threshold limit. But the exemption of income-tax for the agricultural sector became a source to conceal income in other sectors. As you know pretty well, Sir, the farmers in various parts of the country, whether in Maharashtra or in Andhra Pradesh, are not able to make their both ends meet. They are not getting sufficient yield. But those people in other sectors like the corrupt officials and bureaucrats as well as the blackmarketeers and industrialists are demonstrating that their income is from agriculture and, therefore, it became a source to conceal income. So, what I mean to say is let them tax the agricultural income. Once the agricultural income is clubbed with the non-agricultral income, it should not be given any exemption. If it is difficult for the Government to over-come this, they can even go in for amending the Constitution.

Another aspect which I would like to add is that the entire 'tamasha' that is going on for the last 40 or 45 years is that from the early '40s to the mid-80s, we followed a philosophy of Fabian socialism. Some of the economists who were accessible to the seat of power like Mahalanobis or P. N. Rai or Dr. Manmohan Singh, were propagating Fabian socialism up to the mid-80s. Another set of economists like Montekh Singh Ahluwalia or Mr. Ashok Desai or Mr. Rakesh Mohan or again Dr. Manmohan Singh who preached Fabian socialism for 30 years now came out with market economy. I am sure that Dr. Manmohan Singh is not for this market economy. But out of compulsion, he is adopting this policy. And I am sure that once the things are set right, Dr. Manmohan Singh will go back to his original colour of Fabian socialism, I am afraid, the Fabian socialism of Krishna Menon style. Whether it is the Fabian socialism or market economy, both the theories are out-dated. Fabian socialism was adopted in the country till the mid-eighties and has become outdated even in various other parts of the world. Events in various parts of the world, whether the erstwhile USSR or South-East Czechoslovakia or the events in the present context in China have made it outdated. The economists wanted Fabian socialism of 1920 or 1940 in the edstwhile USSR or South-East Europe and they wanted to implement it here but they failed. Likewise, Anglo-Saxon Fabian socialism failed and now they are resorting to market economy theory which is again 20 years old. We have a good number of economists both inside and outside the House and they are criticising each other. At the same time, they failed to give a proper direction to the country. (*Time bell rings*) I, therefore, suggest to the hon. Finance Minister that instead of adopting outdated imported policies, he should evolve a swadeshi policy based on the realities of the day and only then it would be possible to ensure upliftment of the society as a whole.

Some hon. Members were mentioning about the tax on telephones etc. I would not like to say anything on that point I would only like to say that the hon. Finance Minister has been talking since long about reduction in governmental expenditure on administration. Unfortunately, the expenditure on establishment is going up and the bureauc-

racy is acting like a Frankenstein monster and is a stumbling block for any change in the society. As per the figures indicated by the Finance Minister, we are spending more than Rs. 60,000 crores on establishment. So, instead of allowing the bureaucracy to become a stumbling block, we should see that some socially useful purpose is served by the bureaucracy. We annot expect each and everybody in the governmental sector to be on the same wavelength as the Finance Minister of this country. The so-called policy of liberalisation, of the Finance Minister, is not producing the desired results. The benefits of this policy do not percolate to lower levels in the States or in the Centre. It is time that something was done about it.

In the share market and stock-exchanges, some fictitious companies are coming up with attractive proposals, like TAKEWOOD, like ROGERS and they say that if somebody invests one thousand rupees, they would pay him one lakh rupees on maturity of the term. If these fictitious companies are allowed to go scot-free, many gullible people will lose their money.

Similarly, in the petroleum sector, many companies are coming up with proposals, inviting applications for registration for supply of gas. I suggest some effective steps should be taken in this regard.

Then there are trusts. They are not safe trusts and about 90 per cent of them are bogus where money is being manipulated. They are exempt from tax. Therefore, it is time, if not high time, that all the trusts, as far as their income is concerned, are brought on par with individuals and are taxed.

As far as the export earnings are concerned, it should also be taxed—at least 25 per cent—as compared to the normal earnings. Unless it is done, the journey of the money cannot be monitored by the Government. Therefore, if the Government comes up with proposals for taxing the export earnings as well the public and private trusts, a lot of revenue would accrue to the Government. The Government would be able to get at least Rs. 3,000—4,000 crores. The Government may consider these suggestions. Thank you.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Shri V. Gopalsamy. Not present. Shri Sanjay Dalmit. Not present. Shri Jagmohan. Not present. Prof. Saurin Bhattacharya. Not present. Shri Anand Prakash Gautam. Not present. Shri P. Upendra. Not present. Shri Bhupinder Singh Mann. Not present.

Now, the House stands adjourned and we will meet again tomorrow, the 17th March, at 11 a.m.

The House then adjourned at seventeen minutes past seven of the clock, till eleven of the clock on Thursday, the 17th March, 1994.